

SENATE BILL No. 125

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-11.

Synopsis: Income tax credit. Provides a refundable adjusted gross income tax credit for charitable donations to public or private elementary schools or high schools located in Indiana. Provides that the maximum individual taxpayer credit is \$1,000 in the case of a single return or \$2,000 in the case of a joint return. Provides that the maximum corporate taxpayer credit is the greater of 10% of the corporation's total adjusted gross income tax liability or \$10,000.

Effective: January 1, 2010.

Waltz

January 7, 2009, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

SENATE BILL No. 125

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-3-11 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2010]: **Sec. 11. (a) As used in this section, "public or**
4 **private elementary school or high school" means any combination**
5 **of grades from kindergarten through grade 12 offered by the**
6 **following:**

7 (1) **A school corporation subject to IC 20.**

8 (2) **A special education cooperative (as defined in**
9 **IC 20-35-5-1(7)).**

10 (3) **A nonpublic school.**

11 **(b) At the election of the taxpayer, a credit is allowed against the**
12 **adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7**
13 **for the taxable year. Subject to the applicable limitations provided**
14 **by this section, the amount allowed is equal to fifty percent (50%)**
15 **of the total amount of charitable contributions made by the**
16 **taxpayer during a taxable year to a:**

17 (1) **public or private elementary school or high school located**



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1 in Indiana; or

2 (2) corporation or foundation organized and operated solely
3 for the benefit of a public or private elementary school or high
4 school located in Indiana.

5 (c) In the case of a taxpayer other than a corporation, the
6 amount allowable as a credit under this section for any taxable
7 year may not exceed:

8 (1) one thousand dollars (\$1,000) in the case of a single return;
9 or

10 (2) two thousand dollars (\$2,000) in the case of a joint return.

11 (d) In the case of a taxpayer that is a corporation, the amount
12 allowable as a credit under this section for any taxable year may
13 not exceed the greater of the following amounts:

14 (1) Ten percent (10%) of the corporation's total adjusted
15 gross income tax under IC 6-3-1 through IC 6-3-7 for the
16 taxable year (as determined after applying all other credits
17 against that tax).

18 (2) Ten thousand dollars (\$10,000).

19 (e) If the credit allowed by this section exceeds the amount of the
20 adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7
21 for the taxable year, the excess shall be refunded to the taxpayer.

22 SECTION 2. [EFFECTIVE JANUARY 1, 2010] IC 6-3-3-11, as
23 added by this act, applies to taxable years beginning after
24 December 31, 2009.

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